

**FILED**

**MAR 09 2010**

**SECRETARY, BOARD OF  
OIL, GAS & MINING**

**BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH**

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IN THE MATTER OF THE REQUEST )	
FOR AGENCY ACTION OF MARION )	
ENERGY, INC. FOR AN ORDER )	<b>REQUEST FOR AGENCY ACTION</b>
GRANTING AN AQUIFER EXEMPTION )	
AND APPROVING THE CONVERSION )	Docket No. <u>2010-020</u>
OF THE ALPINE SCHOOL DISTRICT #3- )	
17 WELL LOCATED IN SECTION 17, )	Cause No. <u>UIC-362.2</u>
TOWNSHIP 13 SOUTH, RANGE 7 EAST, )	
CARBON COUNTY, UTAH, TO A )	
CLASS II INJECTION WELL )	

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COMES NOW, Marion Energy, Inc. ("Marion"), acting by and through its attorneys, Beatty & Wozniak, P.C., and hereby requests the Board of Oil, Gas and Mining (the "Board") to place on its docket for its next regularly scheduled hearing on April 28, 2010, Marion's petition for an aquifer exemption and its application for conversion of the Alpine School District #3-17 well, located in Section 17, Township 13 South, Range 7 East, Carbon County, Utah, to a Class II Injection Well.

In support of this Request, Marion respectfully states and represents:

1. Marion is duly qualified to conduct business in the State of Utah, and is fully and appropriately bonded with all relevant Federal and State of Utah agencies.
2. Marion is the Operator of the Clear Creek Federal Unit in Carbon County, Utah.
3. Marion's application for conversion of the Alpine School District #3-17 well to a Class II injection well was filed March 1, 2010. Notice of the application was provided to the interested parties on March 3, 2010 as shown on this Request's Attachment "A."

4. Marion is currently engaged in drilling and production operations in the Clear Creek Unit requiring water disposal.

5. Conversion of the Alpine School District #3-17 well (shown on the Exhibits to Attachment "A" hereto) for use as a disposal well would allow Marion to utilize an existing shut-in wellbore in the Clear Creek Unit central to its production operations and gathering systems already in place.

6. Approval of the conversion would mitigate truck traffic through the towns of Clear Creek and Scofield.

7. Marion will present evidence that the aquifer to be used for disposal purposes, selected zones in the Ferron Sandstone Member of the Mancos Shale Formation, should be exempt as Underground Storage for Drinking Water ("USDW") pursuant to Utah Admin. Rule R-649-5-4.

8. Consequently, Marion requests that the Board place on its docket for its next regularly scheduled hearing on April 28, 2010, its request for an aquifer exemption and approval to convert the existing Alpine School District #3-17 well to a Class II injection well.

9. Marion believes and therefore states that the requested order will allow it to increase production in the Clear Creek Unit, will prevent waste, will adequately protect the right of all affected parties and is just and reasonable.

10. Marion will be filing a separate affidavit of mailing which lists all persons known to Marion whose legally protected interests will be affected by this Request, together with their last known addresses.

**WHEREFORE**, Marion respectfully requests that this matter be set for hearing at the regularly scheduled meeting of the Board on April 28, 2010, that notice be give as required by law, and that, following said hearing the Board enter an order:

(A) Granting an aquifer exemption for the selected zones in the Ferron Sandstone Member of the Mancos Shale Formation and approving the Alpine School District #3-17 well as a Class II injection well.

(B) Making such findings and orders in connection with this Request as it deems necessary; and

(C) Providing for such other and further relief as may be just and equitable under the circumstances.

Respectfully submitted this 9th day of March, 2010.

Marion Energy, Inc.



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Matthew L. Crockett (U.S.B. #9521)  
Relma M. Miller (U.S.B. #8690)  
BEATTY & WOZNIAK, P.C.  
216 Sixteenth Street, Suite 1100  
Denver, Colorado 80202  
Phone Number: (303) 407-4499  
Fax Number: (303) 407-4494  
E-mail: mcrockett@bwenergylaw.com  
E-mail: rmiller@bwenergylaw.com

Attorneys for Petitioner

Address of Petitioner:

Marion Energy, Inc.  
c/o Keri Clarke, Vice President  
119 South Tennessee, Suite 200  
McKinney, TX 75069

Telephone No.: (972) 540-2967

00146408.DOC

BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH

IN THE MATTER OF THE REQUEST )  
FOR AGENCY ACTION OF MARION )  
ENERGY, INC. FOR AN ORDER )  
GRANTING AN AQUIFER EXEMPTION )  
AND APPROVING THE CONVERSION )  
OF THE ALPINE SCHOOL DISTRICT #3- )  
17 WELL LOCATED IN SECTION 17, )  
TOWNSHIP 13 SOUTH, RANGE 7 EAST, )  
CARBON COUNTY, UTAH, TO A )  
CLASS II INJECTION WELL )

**REQUEST FOR AGENCY ACTION**

Docket No. \_\_\_\_\_

UIC No. \_\_\_\_\_

**AFFIDAVIT OF MAILING**

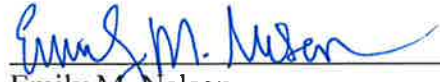
STATE OF COLORADO )  
 ) ss:  
CITY AND COUNTY OF DENVER )

I, Matthew L. Crockett, being duly sworn upon my oath, swear and state that on this 9th day of March, 2010, he caused a true and correct copy of said Request to be mailed, certified, properly addressed, postage pre-paid, and with return receipt requested, to each of the above named parties whose complete and proper mailing address was disclosed from a review of the public records and is identified below.

  
Matthew L. Crockett

Subscribed and sworn to this 9 th day of March, 2010.



  
Emily M. Nelson  
Notary Public

My Commission Expires: 07/07/2010

Liodakis Ranch LLC  
George E. Liodakis  
2655 E. Chalet Circle  
Sandy, UT 84093

Annie S. Kosec Trust  
C/O Richard Kosec  
1776 Kenilworth Rd.  
Helper, UT 84526

Blue Ridge Services LLC  
Attn: Denise A Dragoo  
Snell & Wilmer LLP  
15 W. South Temple  
Suite 1200  
Salt Lake City, UT 84101

Church of Jesus Christ of LDS  
LDS Church, Tax Division  
50 E. North Temple  
22nd Floor, RE: 2A-0736  
Salt Lake City, UT 84150

Alpine Board of Education  
Alpine District  
50 No. Center  
American Fork, UT 84003

Carbon County Recreation &  
Transportation Special Service District  
125 East Main  
Price, UT 84501

Lutheran High School  
2222 North Santiago Blvd  
Orange, CA 92867

Merrion Oil and Gas Corporation  
610 Reilly Ave  
Farmington, NM 87401

Northstargas, LC  
C/O Steve Ault  
P.O. Box 536  
Ferron, UT 84523

Summit Energy Partners Clear Creek, LLC  
1441 Ute Blvd  
Suite 280  
Park City, UT 84098

Bureau of Land Management  
Price Field Office  
Attn: Don Stephens  
125 S. 600 W.  
Price, UT 84501

State of Utah  
Trust Lands Administration  
675 East 500 South  
Suite 500  
Salt Lake City, UT 84102

Reverse Exchange LLC  
As title holder for  
AOK Family Holding Trust,  
Jana Gunderson, Trustee  
341 North 1100 East  
American Fork, UT 84003

Ms. Anastasia Daraban  
1833 S. West Temple #1  
Salt Lake City, UT 84115

Harvey Stone  
155 Franklin Street  
P.O. Box 536  
Ferron, UT 84523

Ms. Joni Buehner  
350 Claude Drive  
Santa Clara, CA 84765

Ms. Connie Stauffer  
8851 Edinburgh Circle  
Highlands Ranch, CO 80129

Mr. Paul Daraban  
10104 Dunsinane  
South Jordan, UT 84095

Mr. Tommy John Nicolaides  
989 Military Drive  
Salt Lake City, UT 84108

Mary Louise Seamons  
1774 South 340 East  
Orem, UT 84058

Anthon Madsen  
1821 Howell  
Richland, WA 99354

Dix Jensen  
525 Woodhill Dr.  
Price, UT 84501

Carbon County  
120 East Main Street  
Price, UT 84501

Jerry L. Jesen  
1155 N. Carbonville Rd.  
Price, UT 84501

Mr. J Richard Bell  
4632 Idlewild Road  
Salt Lake City, UT 84124

Ms. Connie Condie  
433 E. Vine Street  
Murray UT, 84765

Mr. John Nicolaides  
5040 N. Second Street  
Phoenix, AZ 85012

Mr. Michael Stathis  
1579 S. East Canyon Drive  
Cedar City, UT 84720

Mrs. Hilda Hammond  
2912 Redwood  
Costa Mesa, CA 92626

Leoan Gunderson  
3990 Raymond  
Ogden, UT 84403

Annie Andersen  
1646 Snow Rd  
Fort Sill, OK 73503

Alice Pannier  
1138 Michigan Ave.  
Salt Lake City, UT 84105

James T. Jensen  
2961 N. Caitland Ct.  
Salt Lake City, UT 84121

Bonnie Lynne Jensen Stradling  
18316 Highway 56  
Sherman, TX 75902

Jack Thomas  
Route 2  
Preston, ID 83263

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## AFFIDAVIT OF MAILING

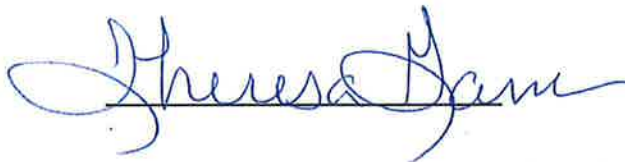
I, Scott Jacoby, Associate Landman, Marion Energy, Inc. being first duly sworn, dispose and state as follows:

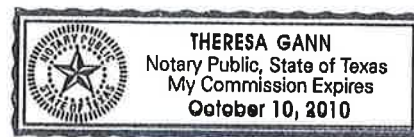
On March 3, 2010, I caused to be mailed by certified, postage prepaid, return receipt requested, letters informing all operators, surface and mineral owners within a half mile radius of our Alpine School District 3 -17 well of Marion Energy's intent to convert the aforementioned well into a produced water injection well. A map depicting the area in question was also attached to each letter as required by the Department of Oil, Gas and Mining, as set forth in rule R649-5 pertaining to the requirements for injecting fluids into reservoirs and the permitting of Class II injection wells.

Dated the 3rd day of March, 2010

  
\_\_\_\_\_  
Scott S. Jacoby  
Associate Landman  
Marion Energy Inc.

The forgoing affidavit was subscribed and sworn to me by Scott S. Jacoby  
This 3rd day of March, 2010.

  
\_\_\_\_\_  
Notary Public.



My Commission expires: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Marion Energy Inc.  
119 S. Tennessee, Ste. 200  
McKinney, Texas 75069

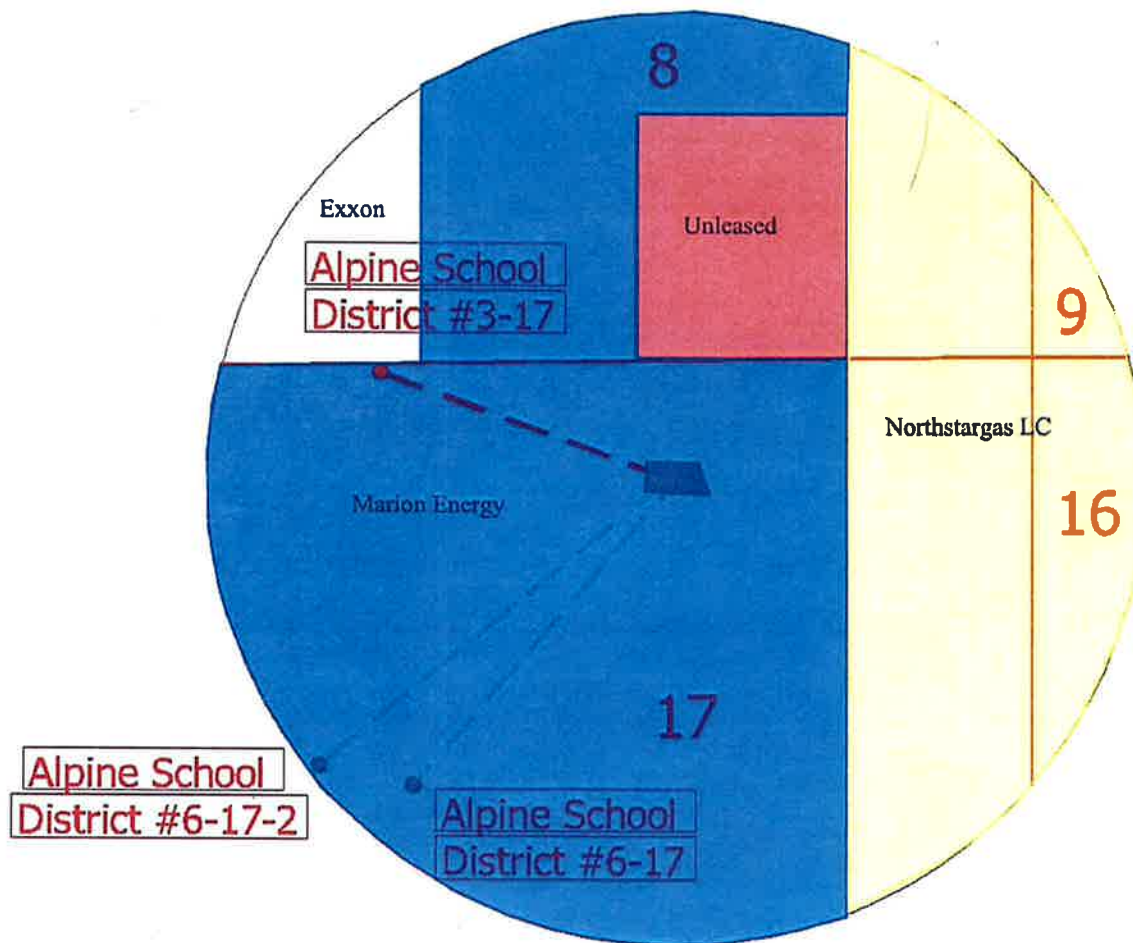
Tel (972) 540-2967  
Fax (972) 547-0442

## **Alpine School District 3 -17 (SWD)**

**Address of Operators within a 1/2 mile radius of the well site**

1. Northstargas, LC  
C/O Steve Ault  
P.O. Box 536  
Ferron, UT 84523
2. Mobil Expl & Producing No America Inc  
P.O. Box 5444  
Denver, CO 80217
3. Marion Energy  
119 S. Tennessee  
McKinney, TX 75069

# OPERATORS PLAT



**TALON RESOURCES, INC.**

615 N. 400 E., P.O. Box 1238  
Huntingdon, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talon@trv.net



**Alpine School District #3-17**  
Section 17, T13S, R7E, S.L.B.&M.  
Carbon County, Utah

Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. <i>Exhibit A</i>	Date 2/18/10
	Scale 1" = 1000'
Sheet 1 of 1	Job No. 4462

## **Alpine School District 3 - 17 (SWD)**

Address of Mineral Owners within a 1/2 mile radius of the well site

1. Merrion Oil and Gas Corporation  
610 Reilly Ave  
Farmington, NM 87401
2. Northstargas, LC  
C/O Steve Ault  
P.O. Box 536  
Ferron, UT 84523
3. Summit Energy Partners Clear Creek, LLC  
1441 Ute Blvd  
Suite 280  
Park City, UT 84098
4. Bureau of Land Management  
Price Field Office  
Attn: Don Stephens  
125 S. 600 W.  
Price, UT 84501
5. State of Utah  
Trust Lands Administration  
675 East 500 South  
Suite 500  
Salt Lake City, UT 84102

6. Reverse Exchange LLC  
As title holder for  
AOK Family Holding Trust,  
Jana Gunderson, Trustee  
341 North 1100 East  
American Fork, UT 84003
7. Ms. Anastasia Daraban  
1833 S. West Temple #1  
Salt Lake City, UT 84115
8. Harvey Stone  
155 Franklin Street  
P.O. Box 536  
Ferron, UT 84523
9. Mr. J Richard Bell  
4632 Idlewild Road  
Salt Lake City, UT 84124
10. Ms. Joni Buehner  
350 Claude Drive  
Santa Clara, CA 84765
11. Ms. Connie Condie  
433 E. Vine Street  
Murray UT, 84765
12. Ms. Connie Stauffer  
8851 Edinburgh Circle  
Highlands Ranch, CO 80129

13. Mr. John Nicolaides  
5040 N. Second Street  
Phoenix, AZ 85012

14. Mr. Paul Daraban  
10104 Dunsinane  
South Jordan, UT 84095

15. Mr. Michael Stathis  
1579 S. East Canyon Drive  
Cedar City, UT 84720

16. Mr. Tommy John Nicolaides  
989 Military Drive  
Salt Lake City, UT 84108

17. Mrs. Hilda Hammond  
2912 Redwood  
Costa Mesa, CA 92626

18. Mary Louise Seamons  
1774 South 340 East  
Orem, UT 84058

19. Evelyn Jacobsen  
\*\* No Address Available

20. Leoan Gunderson  
3990 Raymond  
Ogden, UT 84403

21. Anthon Madsen  
1821 Howell  
Richland, WA 99354

22. Annie Andersen  
1646 Snow Rd  
Fort Sill, OK 73503

23. Dix Jensen  
525 Woodhill Dr.  
Price, UT 84501

24. Alice Pannier  
1138 Michigan Ave.  
Salt Lake City, UT 84105

25. Carbon County  
120 East Main Street  
Price, UT 84501

26. James T. Jensen  
2961 N. Caitland Ct.  
Salt Lake City, UT 84121

27. Jerry L. Jesen  
1155 N. Carbonville Rd.  
Price, UT 84501

28. Bonnie Lynne Jensen Stradling  
18316 Highway 56  
Sherman, TX 75902

29. Louise M. Watts

**\*\*No Address Available**

30. Johannah Hafen

**\*\*No Address Available**

31. Louise F. Seeley

**\*\*No Address Available**

32. Estate of Lee Thomas

**\*\*No Address Available**

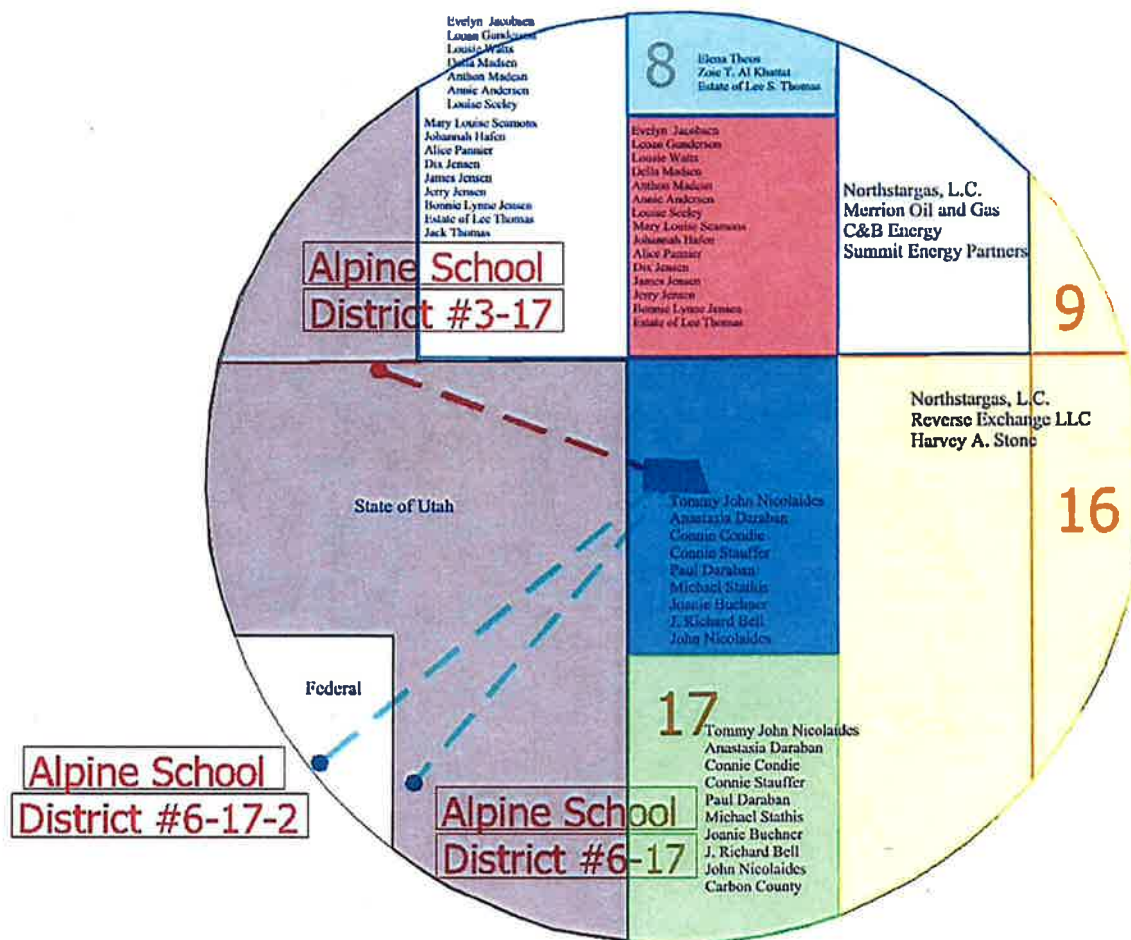
33. Jack Thomas

Route 2

Preston, ID 83263



# MINERAL OWNERSHIP PLAT



**TALON RESOURCES, INC.**  
 615 N. 400 E., P.O. Box 1238  
 Huntington, Utah 84528  
 Phone (435) 687-5310 Fax (435) 687-5311  
 E-Mail talon@rcv.net

 **Marion Energy Inc.**

**Alpine School District #3-17**  
 Section 17, T13S, R7E, S.L.B.&M.  
 Carbon County, Utah

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>Exhibit A</b>	Date: <b>2/18/10</b>
	Scale: <b>1" = 1000'</b>
Sheet <b>1</b> of <b>1</b>	Job No. <b>4462</b>

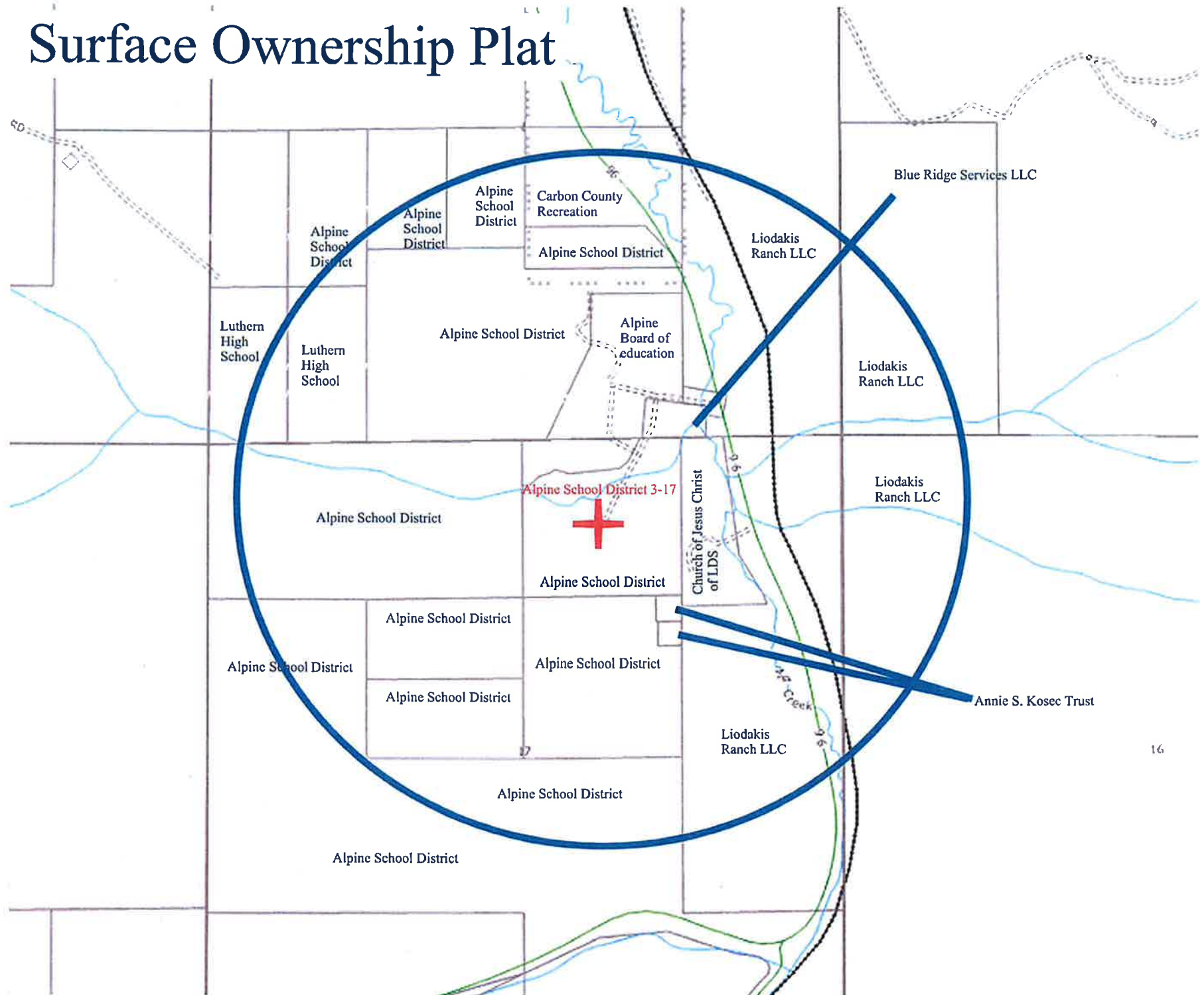
### **Alpine School District 3 -17 (SWD)**

Address of Surface Owners within a 1/2 mile radius of the well site

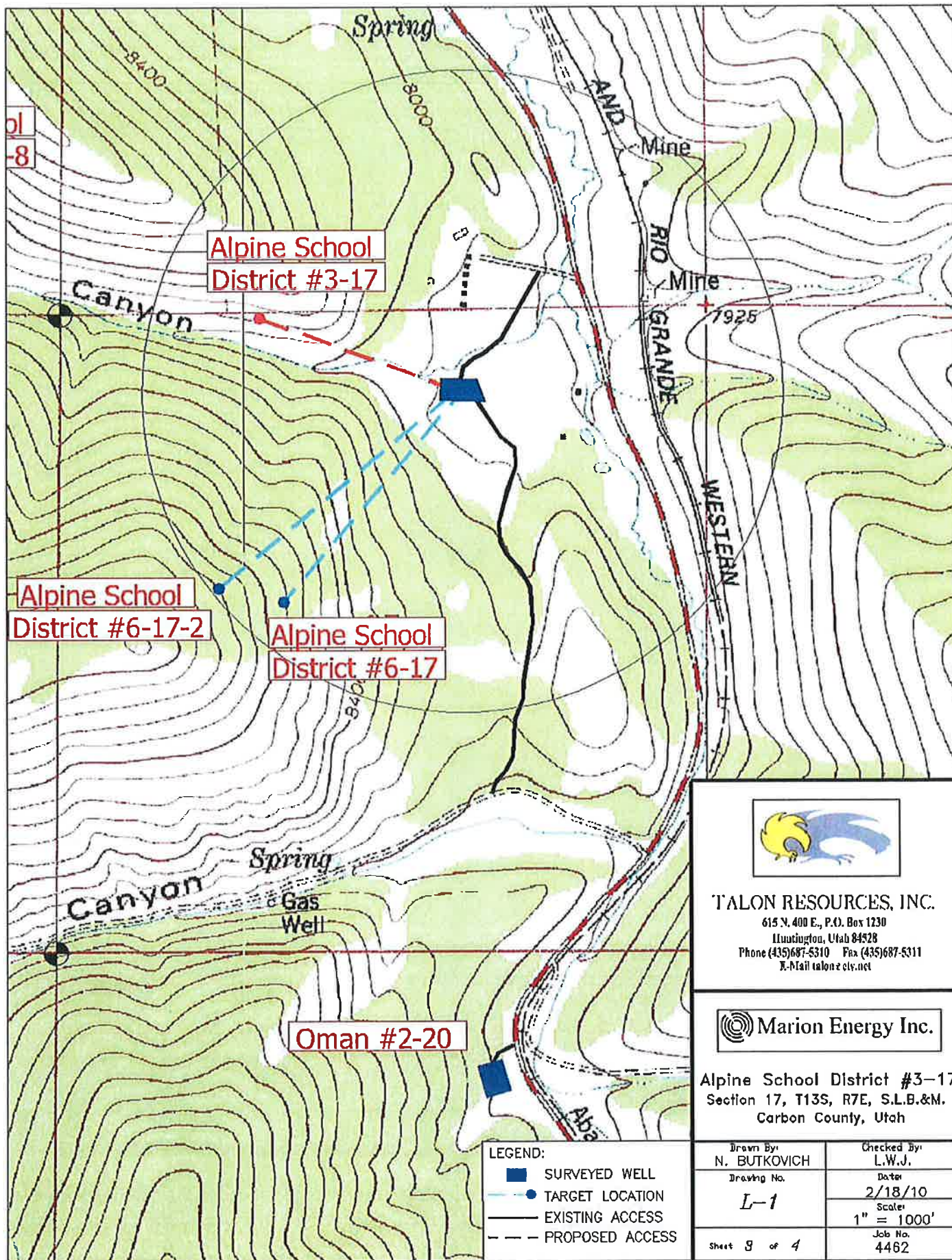
1. Liodakis Ranch LLC  
George E. Liodakis  
2655 E. Chalet Circle  
Sandy, UT 84093
2. Annie S. Kosec Trust  
C/O Richard Kosec  
1776 Kenilworth Rd.  
Helper, UT 84526
3. Blue Ridge Services LLC  
Attn: Denise A Dragoo  
Snell & Wilmer LLP  
15 W. South Temple  
Suite 1200  
Salt Lake City, UT 84101
4. Church of Jesus Christ of LDS  
LDS Church, Tax Division  
50 E. North Temple  
22<sup>nd</sup> Floor, RE: 2A-0736  
Salt Lake City, UT 84150
5. Alpine Board of Education  
Alpine District  
50 No. Center  
American Fork, UT 84003
6. Alpine School District  
Attn: Mr. Rob Smith  
575 North 100 East  
American Fork, UT 84003

7. Carbon County Recreation &  
Transportation Special Service District  
125 East Main  
Price, UT 84501
8. Lutheran High School  
2222 North Santiago Blvd  
Orange, CA 92867

# Surface Ownership Plat







**TALON RESOURCES, INC.**

615 N. 400 E., P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talon@city.net



**Marion Energy Inc.**

**Alpine School District #3-17**  
 Section 17, T13S, R7E, S.L.B.&M.  
 Carbon County, Utah

Drawn By:  
 N. BUTKOVICH

Drawing No.  
 L-1

Checked By:  
 L.W.J.

Date:  
 2/18/10

Scale:  
 1" = 1000'

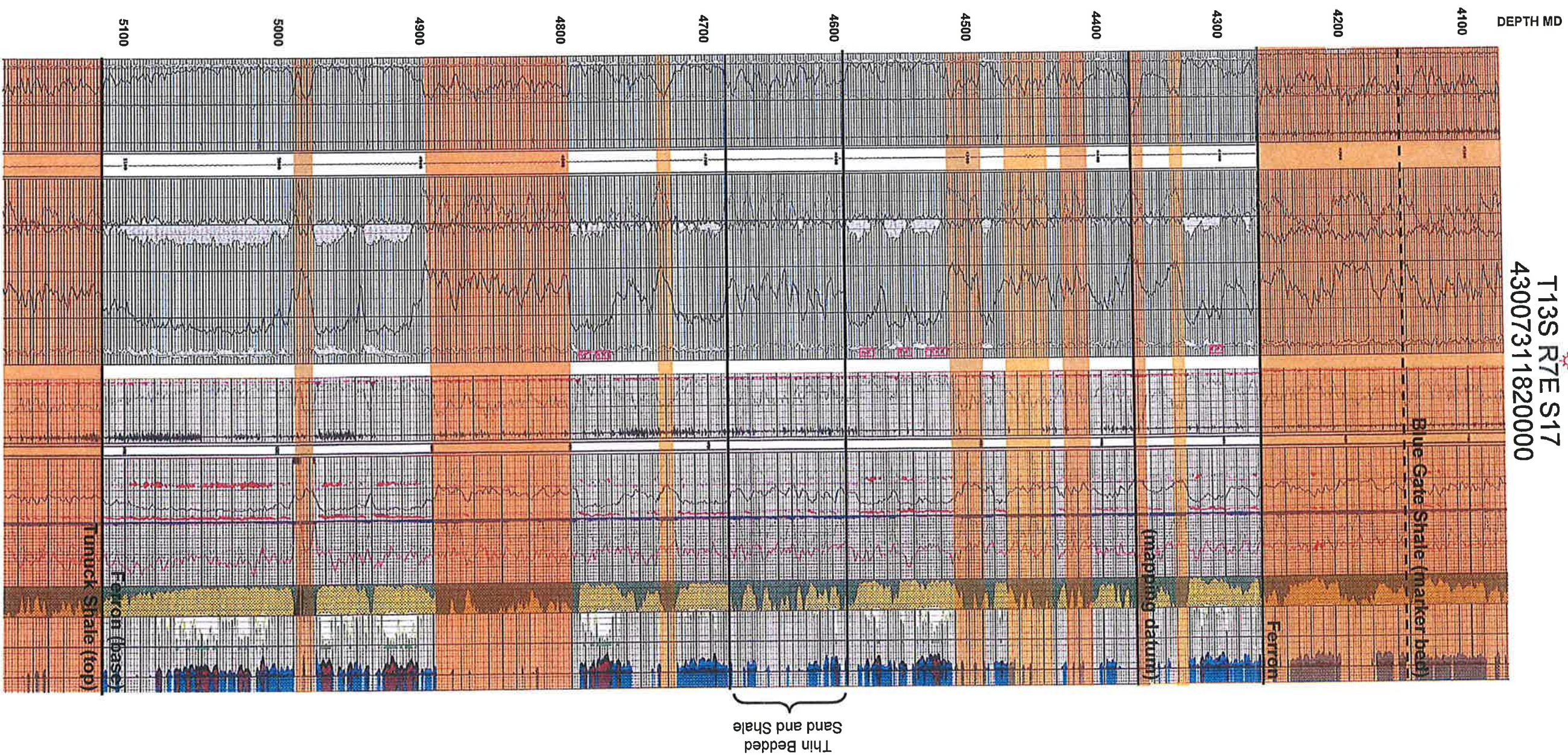
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Sheet 3 of 4

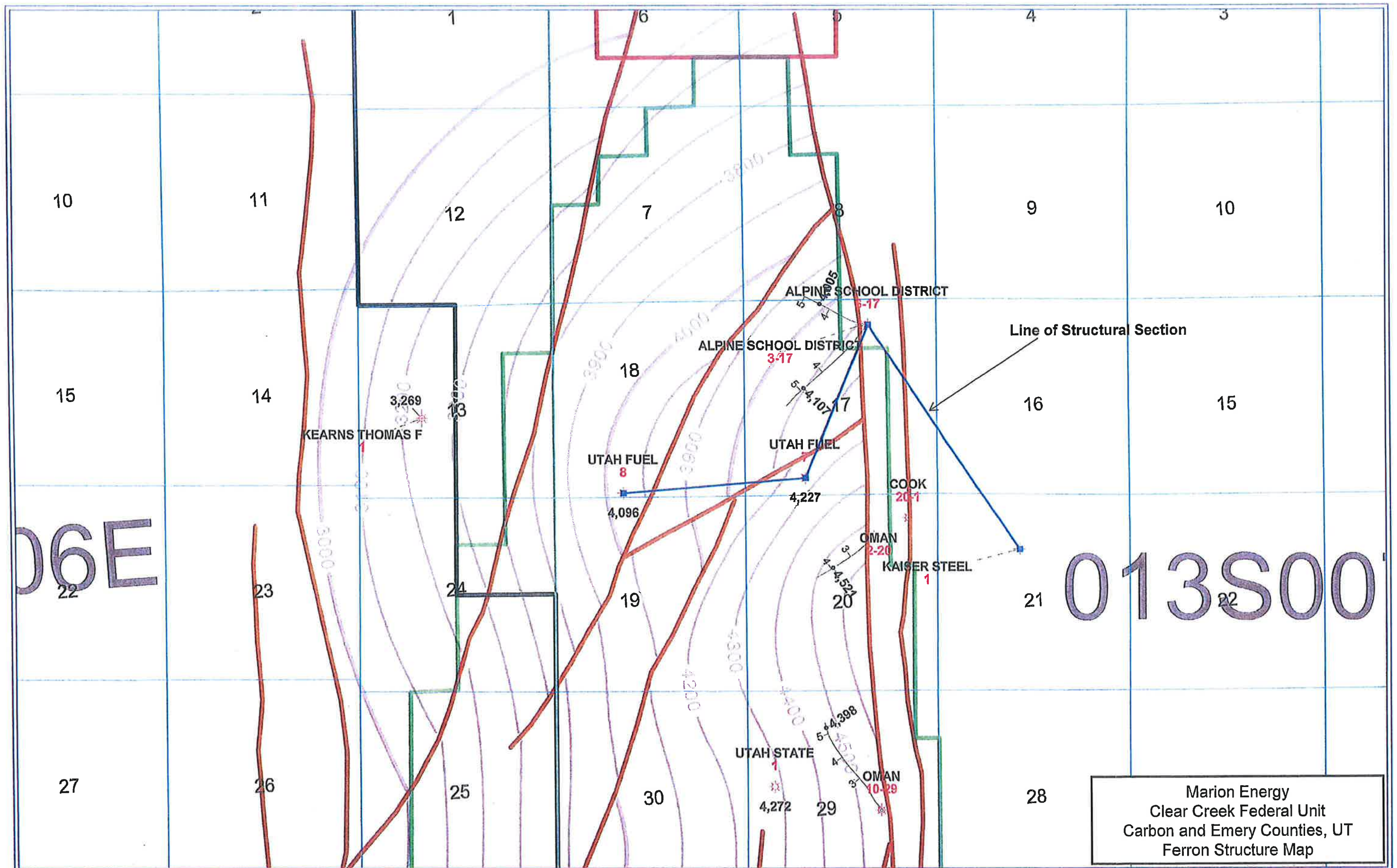


ALPINE SCHOOL DISTRICT  
3-17

T13S R7E S17  
43007311820000

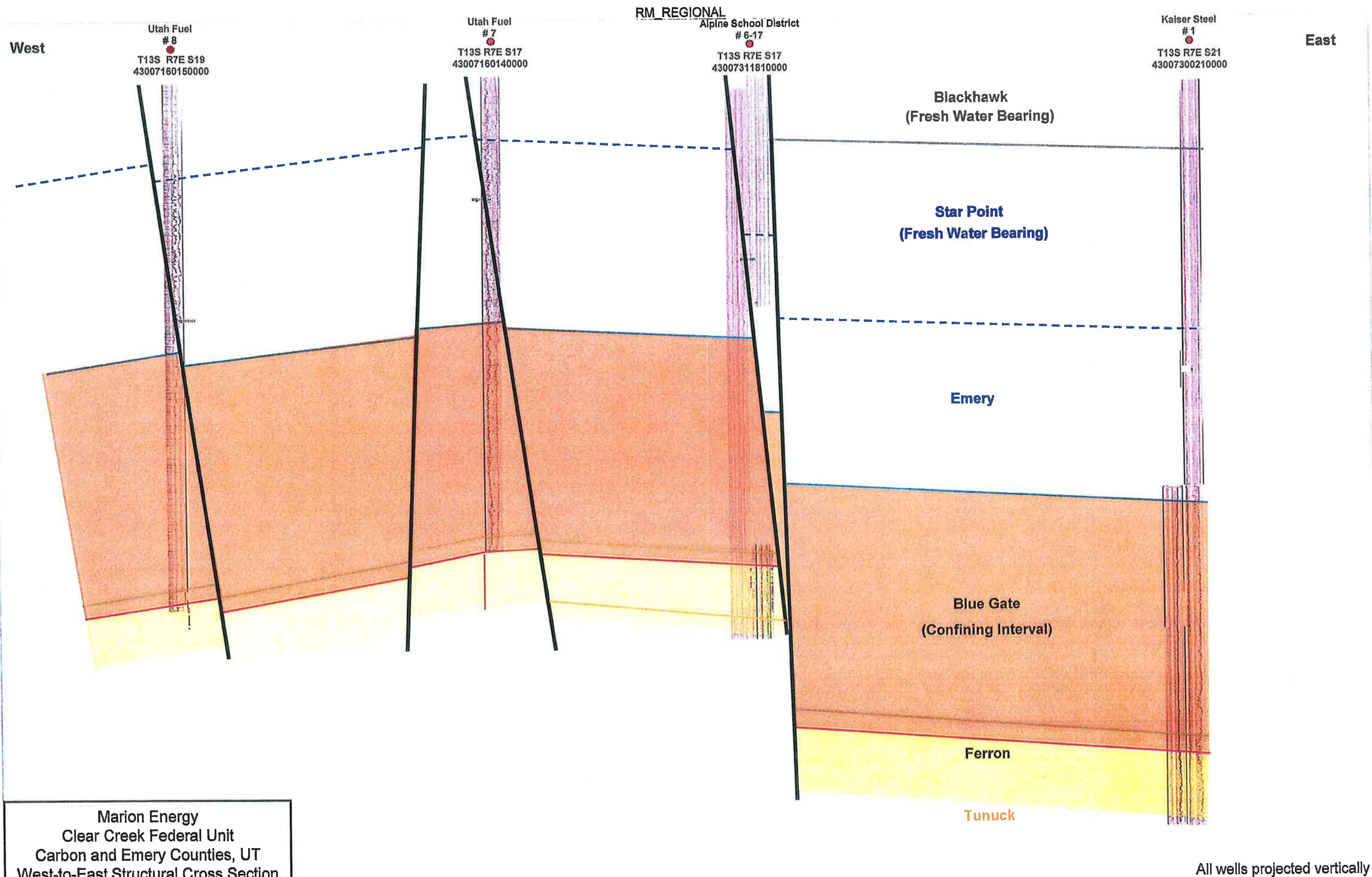






Marion Energy  
Clear Creek Federal Unit  
Carbon and Emery Counties, UT  
Ferron Structure Map







West

UNIT

T13S R6E S16  
43039050160000

ALPINE SCHOOL DISTRICT  
3-17

T13S R7E S17  
43007311820000

ALPINE SCHOOL DISTRICT  
6-17 ST

T13S R7E S17  
43007311810000

KAISER STEEL

T13S R7E S21  
43007300210000

East

Blue Gate Shale (marker bed)

Ferron (mapping datum)

Ferron (base)

Tunuck Shale (top)

Marion Energy  
Clear Creek Federal Unit  
Carbon and Emery Counties, UT  
West-to-East Stratigraphic Cross  
Section through ASD 3-17 and 6-17



North

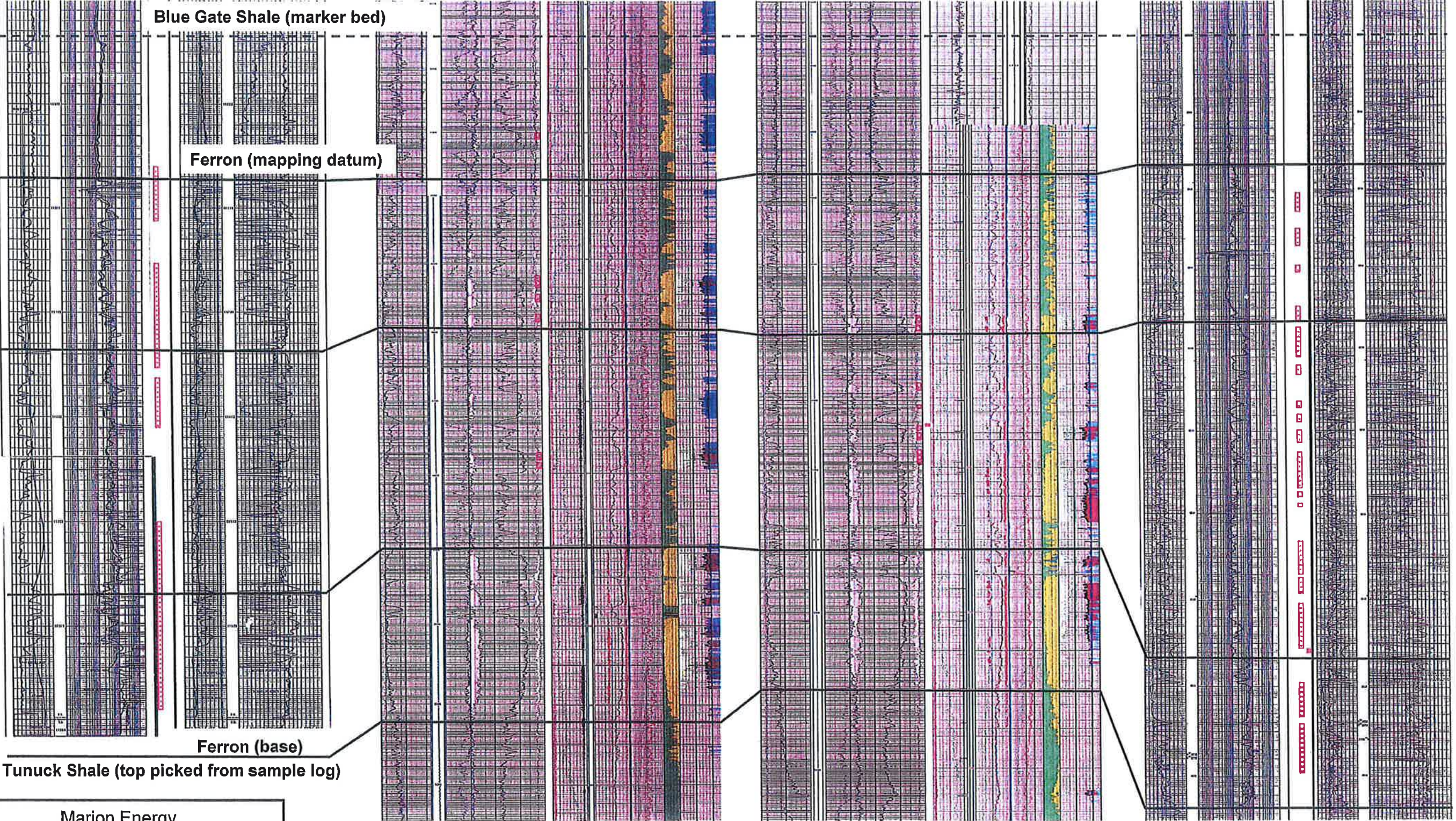
BROOKS-FEDERAL  
11-26  
T12S R6E S26  
43007300860000

ALPINE SCHOOL DISTRICT  
3-17  
T13S R7E S17  
43007311820000

ALPINE SCHOOL DISTRICT  
6-17  
T13S R7E S17  
43007311810000

OMAN  
2-20  
T13S R7E S20  
43007302890000

South



Marion Energy  
Clear Creek Federal Unit  
Carbon and Emery Counties, UT  
North-to-South Stratigraphic Cross  
Section through ASD 3-17 and 6-17